

be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act (15 U.S.C. 41 et seq.) as though all applicable terms and provisions of that Act were incorporated and made part of this section.

(C) **AUTHORITY PRESERVED.**—Nothing in this section may be construed to limit the authority of the Commission under any other provision of law.

(3) **INTERAGENCY AGREEMENT.**—Not later than 6 months after the date of enactment of this division, the Commission, the U.S. Customs and Border Protection, and the Department of Agriculture shall—

(A) enter into a Memorandum of Understanding or other appropriate agreement for the purpose of providing consistent implementation of this section; and

(B) publish such agreement to provide public guidance.

(4) **DEFINITION OF COMMISSION.**—In this subsection, the term “Commission” means the Federal Trade Commission.

(d) **EFFECTIVE DATE.**—This section shall take effect 9 months after the date of the publication of the Memorandum of Understanding or agreement under subsection (c)(3).

SA 1948. Mr. HAWLEY submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. SCHUMER to the bill S. 1260, to establish a new Directorate for Technology and Innovation in the National Science Foundation, to establish a regional technology hub program, to require a strategy and report on economic security, science, research, innovation, manufacturing, and job creation, to establish a critical supply chain resiliency program, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title I of division F, insert the following:

Subtitle D—Slave-Free Business Certification Act of 2021

SEC. 6131. SHORT TITLE.

This subtitle may be cited as the “Slave-Free Business Certification Act of 2021”.

SEC. 6132. REQUIRED REPORTING ON USE OF FORCED LABOR FROM COVERED BUSINESS ENTITIES.

(a) **DEFINITIONS.**—In this subtitle:

(1) **COVERED BUSINESS ENTITY.**—The term “covered business entity” means any issuer, as that term is defined in section 2(a) of the Securities Act of 1933 (15 U.S.C. 77b(a)), that has annual, worldwide gross receipts that exceed \$500,000,000.

(2) **FORCED LABOR.**—The term “forced labor” means any labor practice or human trafficking activity in violation of national and international standards, including—

(A) International Labor Organization Convention No. 182;

(B) the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7101 et seq.); and

(C) any act that would violate the criminal provisions related to slavery and human trafficking under chapter 77 of title 18, United States Code, if the act had been committed within the jurisdiction of the United States.

(3) **GROSS RECEIPTS.**—The term “gross receipts”—

(A) means the gross amount, including cash and the fair market value of other property or services received, gained in a transaction that produces business income from—

- (i) the sale or exchange of property;
- (ii) the performance of services; or
- (iii) the use of property or capital; and

(B) does not include—

(i) repayment, maturity, or redemption of the principal of a—

- (I) loan;
- (II) bond;
- (III) mutual fund;
- (IV) certificate of deposit; or
- (V) similar marketable instrument;
- (ii) proceeds from—

(I) the issuance of a company’s own stock; or

(II) the sale of treasury stock;

(iii) amounts received as the result of litigation, including damages;

(iv) property acquired by an agent on behalf of another party;

(v) Federal, State, or local tax refunds or other tax benefit recoveries;

(vi) certain contributions to capital;

(vii) income from discharge of indebtedness; or

(viii) amounts realized from exchanges of inventory that are not recognized under the Internal Revenue Code of 1986.

(4) **ON-SITE SERVICE.**—The term “on-site service” means any service work provided on the site of a covered business entity, including food service work and catering services.

(5) **ON-SITE SERVICE PROVIDER.**—The term “on-site service provider” means any entity that provides workers who perform, collectively, a total of not less than 30 hours per week of on-site services for a covered business entity.

(6) **SECRETARY.**—The term “Secretary” means the Secretary of Labor.

(b) **AUDIT AND REPORTING REQUIREMENTS.**—

(1) **IN GENERAL.**—Not later than 1 year after the date of enactment of this Act, and every year thereafter, each covered business entity shall—

(A) conduct an audit of its supply chain, pursuant to the requirements of section 6133, to investigate the presence or use of forced labor by the covered business entity or its suppliers, including by direct suppliers, secondary suppliers, and on-site service providers of the covered business entity;

(B) submit a report to the Secretary containing the information described in paragraph (2) on the results of such audit and efforts of the covered business entity to eradicate forced labor from the supply chain and on-site services of the covered business entity; and

(C)(i) publish the report described in subparagraph (B) on the public website of the covered business entity, and provide a conspicuous and easily understood link on the homepage of the website that leads to the report; or

(ii) in the case of a covered business entity that does not have a public website, provide the report in written form to any consumer of the covered business entity not later than 30 days after the consumer submits a request for the report.

(2) **REQUIRED REPORT CONTENTS.**—Each report required under paragraph (1)(B) shall contain, at a minimum—

(A) a disclosure of the covered business entity’s policies to prevent the use of forced labor by the covered business entity, its direct suppliers, and its on-site service providers;

(B) a disclosure of what policies or procedures, if any, the covered business entity uses—

(i) for the verification of product supply chains and on-site service provider practices to evaluate and address risks of forced labor and whether the verification was conducted by a third party;

(ii) to require direct suppliers and on-site service providers to provide written certification that materials incorporated into the product supplied or on-site services, respectively, comply with the laws regarding

forced labor of each country in which the supplier or on-site service provider is engaged in business;

(iii) to maintain internal accountability standards and procedures for employees or contractors of the covered business entity failing to meet requirements regarding forced labor; and

(iv) to provide training on recognizing and preventing forced labor, particularly with respect to mitigating risks within the supply chains of products and on-site services of the covered business entity, to employees, including management personnel, of the covered business entity who have direct responsibility for supply chain management or on-site services;

(C) a description of the findings of each audit required under paragraph (1)(A), including the details of any instances of found or suspected forced labor; and

(D) a written certification, signed by the chief executive officer of the covered business entity, that—

(i) the covered business entity has complied with the requirements of this subtitle and exercised due diligence in order to eradicate forced labor from the supply chain and on-site services of the covered business entity;

(ii) to the best of the chief executive officer’s knowledge, the covered business entity has found no instances of the use of forced labor by the covered business entity or has disclosed every known instance of the use of forced labor; and

(iii) the chief executive officer and any other officers submitting the report or certification understand that section 1001 of title 18, United States Code (popularly known as the “False Statements Act”), applies to the information contained in the report submitted to the Secretary.

(c) **REPORT OF VIOLATIONS TO CONGRESS.**—Each year, the Secretary shall prepare and submit a report to Congress regarding the covered business entities that—

(1) have failed to conduct audits required under this subtitle for the preceding year or have been adjudicated in violation of any other provision of this subtitle; or

(2) have been found to have used forced labor, including the use of forced labor in their supply chain or by their on-site service providers.

SEC. 6133. AUDIT REQUIREMENTS.

(a) **IN GENERAL.**—Each audit conducted under section 6132(b)(1)(A) shall meet the following requirements:

(1) **WORKER INTERVIEWS.**—The auditor shall—

(A) select a cross-section of workers to interview that represents the full diversity of the workplace, and includes, if applicable, men and women, migrant workers and local workers, workers on different shifts, workers performing different tasks, and members of various production teams;

(B) if individuals under the age of 18 are employed at the facility of the direct supplier or on-site service provider, interview a representative group using age-sensitive interview techniques;

(C) conduct interviews—

(i) on-site and, particularly in cases where there are indications of egregious violations about which employees may hesitate to discuss at work, off-site of the facility and during non-work hours; and

(ii) individually or in groups (except for purposes of subparagraph (B));

(D) use audit tools to ensure that each worker is asked a comprehensive set of questions;

(E) collect from interviewed workers copies of the workers’ pay stubs, in order to compare the pay stubs with payment records provided by the direct supplier;

(F) ensure that all worker responses are confidential and are never shared with management; and

(G) interview a representative of the labor organization or other worker representative organization that represents workers at the facility or, if no such organization is present, attempt to interview a representative from a local worker advocacy group.

(2) **MANAGEMENT INTERVIEWS.**—The auditor shall—

(A) interview a cross-section of the management of the supplier, including human resources personnel, production supervisors, and others; and

(B) use audit tools to ensure that managers are asked a comprehensive set of questions.

(3) **DOCUMENTATION REVIEW.**—The auditor shall—

(A) conduct a documentation review to provide tangible proof of compliance and to corroborate or find discrepancies in the information gathered through the worker and management interviews; and

(B) review, at a minimum, the following types of documents:

(i) Age verification procedures and documents.

(ii) A master list of juvenile workers.

(iii) Selection and recruitment procedures.

(iv) Contracts with labor brokers, if any.

(v) Worker contracts and employment agreements.

(vi) Introduction program materials.

(vii) Personnel files.

(viii) Employee communication and training plans, including certifications provided to workers including skills training, worker preparedness, government certification programs, and systems or policy orientations.

(ix) Collective bargaining agreements, including collective bargaining representative certification, descriptions of the role of the labor organization, and minutes of the labor organization's meetings.

(x) Contracts with any security agency, and descriptions of the scope of responsibilities of the security agency.

(xi) Payroll and time records.

(xii) Production capacity reports.

(xiii) Written human resources policies and procedures.

(xiv) Occupational health and safety plans and records including legal permits, maintenance and monitoring records, injury and accident reports, investigation procedures, chemical inventories, personal protective equipment inventories, training certificates, and evacuation plans.

(xv) Disciplinary notices.

(xvi) Grievance reports.

(xvii) Performance evaluations.

(xviii) Promotion or merit increase records.

(xix) Dismissal and suspension records of workers.

(xx) Records of employees who have resigned.

(xxi) Worker pay stubs.

(4) **CLOSING MEETING WITH MANAGEMENT.**—The auditor shall hold a closing meeting with the management of the covered business entity to—

(A) report violations and nonconformities found in the facility; and

(B) determine the steps forward to address and remediate any problems.

(5) **REPORT PREPARATION.**—The auditor shall prepare a full report of the audit, which shall include—

(A) a disclosure of the direct supplier's or on-site service provider's—

(i) documented processes and procedures that relate to eradicating forced labor; and

(ii) documented risk assessment and prioritization policies as such policies relate to eradicating forced labor;

(B) a description of the worker interviews, manager interviews, and documentation review required under paragraphs (1), (2), and (3);

(C) a description of all violations or suspected violations by the direct supplier of any forced labor laws of the United States or, if applicable, the laws of another country as described in section 6132(b)(2)(B)(ii); and

(D) for each violation described in subparagraph (C), a description of any corrective and protective actions recommended for the direct supplier consisting of, at a minimum—

(i) the issues relating to the violation and any root causes of the violation;

(ii) the implementation of a solution; and

(iii) a method to check the effectiveness of the solution.

(b) **ADDITIONAL REQUIREMENTS RELATING TO AUDITS.**—Each covered business entity shall include, in any contract with a direct supplier or on-site service provider, a requirement that—

(1) the supplier or provider shall not retaliate against any worker for participating in an audit relating to forced labor; and

(2) worker participation in an audit shall be protected through the same grievance mechanisms available to the worker available for any other type of workplace grievance.

SEC. 6134. ENFORCEMENT.

(a) **CIVIL DAMAGES.**—The Secretary may assess civil damages in an amount of not more than \$100,000,000 if, after notice and an opportunity for a hearing, the Secretary determines that a covered business entity has violated any requirement of section 6132(b).

(b) **PUNITIVE DAMAGES.**—In addition to damages under subsection (a), the Secretary may assess punitive damages in an amount of not more than \$500,000,000 against a covered business entity if, after notice and an opportunity for a hearing, the Secretary determines the covered business entity willfully violated any requirement of section 6132(b).

(c) **DECLARATIVE OR INJUNCTIVE RELIEF.**—The Secretary may request the Attorney General institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order, in the district court of the United States for any district in which the covered business entity conducts business, whenever the Secretary believes that a violation of section 6132(b) constitutes a hazard to workers.

SEC. 6135. REGULATIONS.

Not later than 180 days after the date of enactment of this Act, the Secretary shall promulgate rules to carry out this subtitle.

SA 1949. Mr. HAWLEY submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. SCHUMER to the bill S. 1260, to establish a new Directorate for Technology and Innovation in the National Science Foundation, to establish a regional technology hub program, to require a strategy and report on economic security, science, research, innovation, manufacturing, and job creation, to establish a critical supply chain resiliency program, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title V of division B, add the following:

SEC. 25. PROHIBITION ON THE LICENSING AND TRANSFERRING OF CERTAIN INTELLECTUAL PROPERTY RIGHTS.

No intellectual property developed through research that is funded through the expendi-

ture of Federal funds received under this division (or an amendment made by this division), or the appropriation of which are authorized under this division (or an amendment made by this division), may be licensed or transferred—

(1) to any business or research institution that is located outside of the United States; and

(2) for the commercialization or production of goods, services, or technologies.

SA 1950. Mr. HAWLEY submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. SCHUMER to the bill S. 1260, to establish a new Directorate for Technology and Innovation in the National Science Foundation, to establish a regional technology hub program, to require a strategy and report on economic security, science, research, innovation, manufacturing, and job creation, to establish a critical supply chain resiliency program, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____ . IMPOSING DATA SECURITY REQUIREMENTS AND STRENGTHENING REVIEW OF FOREIGN INVESTMENTS WITH RESPECT TO CERTAIN TECHNOLOGY COMPANIES FROM FOREIGN COUNTRIES OF CONCERN.

(a) **DEFINITIONS.**—In this section:

(1) **COMMISSION.**—The term “Commission” means the Federal Trade Commission.

(2) **COUNTRY OF CONCERN.**—

(A) **IN GENERAL.**—Subject to subparagraph (B)(iii), the term “country of concern” means—

(i) the People's Republic of China;

(ii) the Russian Federation; and

(iii) any other country designated by the Secretary of State as being of concern with respect to the protection of data privacy and security.

(B) **DESIGNATION OF COUNTRIES OF CONCERN.**—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Secretary of State shall—

(i) review the status of data privacy and security requirements (including by reviewing laws, policies, practices, and regulations related to data privacy and security) in each foreign country to determine—

(I) whether it would pose a substantial risk to the national security of the United States if the government of such country gained access to the user data of citizens and residents of the United States; and

(II) whether there is a substantial risk that the government of such country will, in a manner that fails to afford similar respect for civil liberties and privacy as the Constitution and laws of the United States, obtain user data from companies that collect user data;

(ii) designate each country that meets the criteria of clause (i) as a country of concern; and

(iii) remove the designation from any country that was previously designated a country of concern (regardless of whether such designation was pursuant to clause (i) or (ii) of subparagraph (A) or was made by the Secretary of State pursuant to clause (iii) of such subparagraph) if the country—

(I) no longer meets the criteria of clause (i); and

(II) is not at substantial risk of meeting such criteria.

(C) **REGULATIONS.**—Not later than 90 days after the date of the enactment of this Act, the Secretary of State shall prescribe regulations—